



ANNUAL
REPORT

OF THE

London and Port Stanley

RAILWAY COMPANY.

SUBMITTED TO THE STOCKHOLDERS

AT THE

GENERAL MEETING.

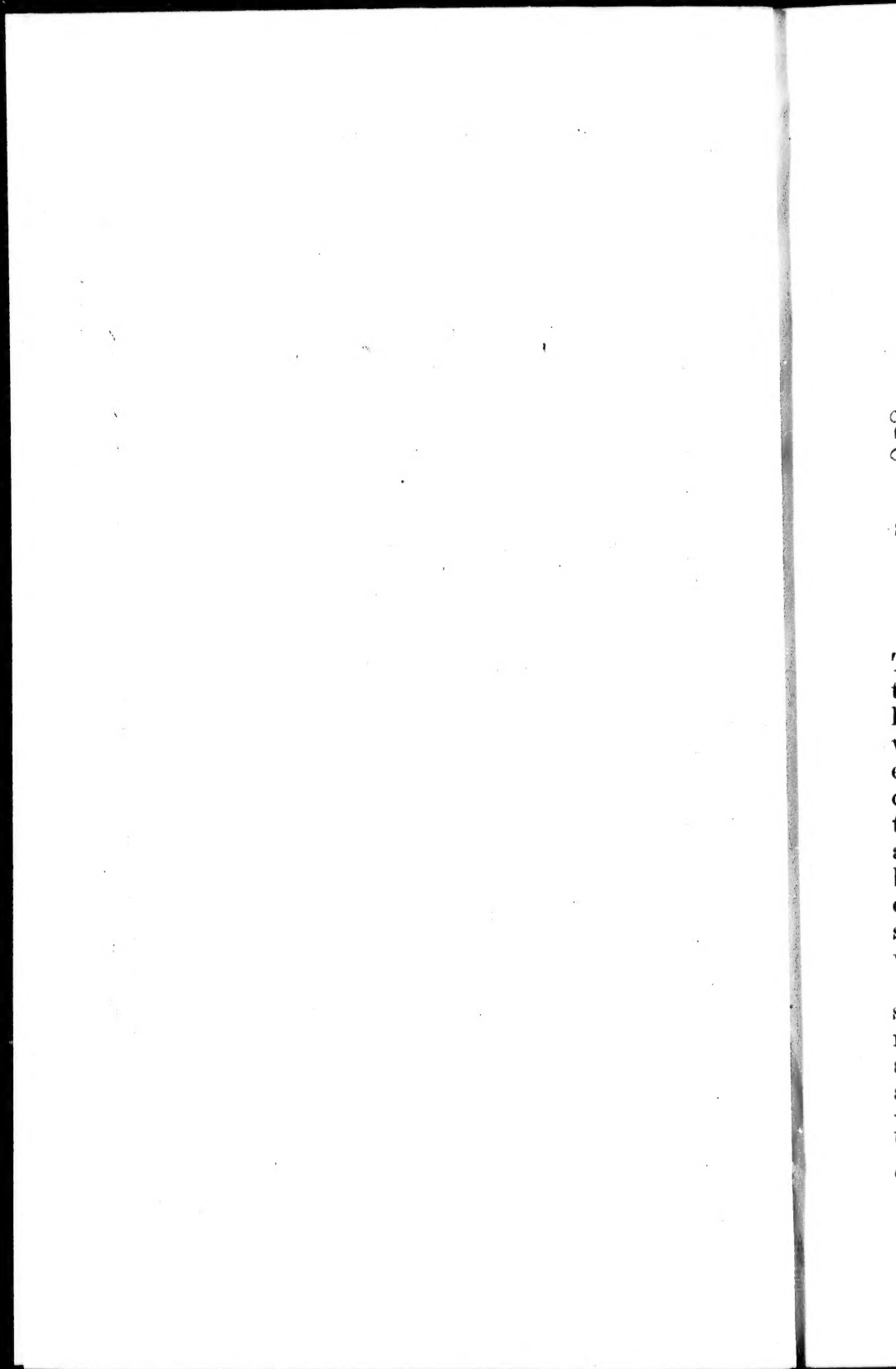
AT LONDON.

On September 2nd, 1857.

LONDON :

PRINTED AT THE "FREE PRESS" STEAM JOB OFFICE, NORTH STREET.

1857.



ANNUAL REPORT
OF THE
DIRECTORS
OF THE
London & Port Stanley Railway
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SUBMITTED TO THE STOCKHOLDERS AT THE GENERAL
MEETING, AT LONDON, ON SEPTEMBER 2ND, 1857.

THE construction of the Railway which was entrusted to the Directors by the Municipalities and other Stockholders, in 1854, was commenced at a time when it was supposed, from the information derived from every source that could be obtained, that the object could easily be accomplished upon the foundation of the Municipal Stock of £103,500, together with the addition of about £10,000 of private stock which had been subscribed; and it was deemed that the issue of £100,000 in first mortgage bonds would have been sufficient to raise means to complete the enterprise which had been undertaken.

The great difficulty of raising money upon these securities, which shortly followed, from the general monetary depression, owing to the European War and other causes, prevented the Directors from being able to raise the means to carry their work to completion within the time originally contemplated. The bonds could not be disposed of, and they were obliged to apply to the Municipalities, whose funds had already been laid out in the work, as the only alternative by which its progress could be continued.

These calls were favourably responded to by the City of London and the Town of St. Thomas, the former granting three successive loans to the amount of £98,850, and the latter to the amount of £8,000, by which means the Directors have been enabled, during seasons of great financial difficulty, when other similar undertakings have failed, to complete the work entrusted to their charge, so far as to enable them to open the road for business. The delays, however, which, from the above and other causes, were unavoidable, protracted the accomplishment of that object to a period of fourteen months beyond the time originally intended, so that the road was not opened for traffic until the 1st of October, 1856; and additional expenses to a considerable amount, in payment of interest and otherwise, owing to these delays, have been incurred.

The Railway Company having, at the commencement, undertaken to pay the Municipalities the interest on their stock until the road should come into operation, the Directors have faithfully performed that engagement, with the exception of a small balance due the County of Middlesex. They have also paid all the interest accrued on loans to the 1st of January last. The interest paid has amounted to £10,879 2s. 3d. The loss sustained by discounts in the disposal of Municipal debentures, has been £27,025 17s. 6d. From the unprecedented rise on the value of land, the cost of right of way, which was originally estimated at £7,500, has been increased to about £32,000, thereby creating an excess of £24,500 over the original estimates. It will be perceived that the cost of the road from the above items alone, has increased to the extent of £62,405 beyond the amount originally contemplated. The circumstances which gave rise to this increase, were beyond the control of the Directors. The difference, however, in excess of the original estimates is not, perhaps, more than has generally been experienced in the construction of other railroads.

Owing to the lateness of the season at which the Road was opened in the fall, arrangements could not be made to keep up the traffic during the winter months to a sufficient extent; and from the imperfect state in which the road was delivered by the contractors, the running expenses have been unavoidably increased by heavy expenditure for track repairs. From these causes the earnings derived from the traffic of the road for ten months, from the 1st of October to the 31st July last, only amounted to £7,090 7s. 2d., while the expenses, including track repairs, was £5,455 1s. 0d., leaving a balance of £1,635 16s. 2d., exclusive of mail service, equal to about 25 per cent. over all expenses. The income derived from the traffic of the road for the last four months, included in the above statement, has been equal to £28 14s. 2d. per day, and the average earnings have, consequently, increased to 33½ per cent. over the running expenses. The statement to the end of the year, after the addition of the next two months, will, however, show a much larger profit, as the road is now making upwards of 40 per cent. above all working expenses, and the two succeeding months will probably be the best in the year. And when we consider the extraordinary depression in trade of the present year which it is well known has largely affected the income of all railways, in addition to the unfavourable circumstances which have been alluded to, there is good reason to anticipate a more favorable result from the working of the road in future.

It is a matter of congratulation to all parties concerned, that during eleven months since the opening of the road, the trains have continued to run without the occurrence of any serious accident upon the line, and that they have in no instance failed in keeping their regular time, which reflects credit upon the parties employed in its management, and tends to establish the good character of the road, which already produces a considerable increase of through traffic in connection with Cleveland and other cities.

Great want of sufficient accommodation has been experienced at Port Stanley, owing to the unfinished state of the Government works. The northern portion of the Company's property is, from this cause, entirely useless; and it is indispensable that we should have increased facilities, by the improving of the wharves for the transaction of the necessary business upon the road.

In the month of September last the Directors were led to suspect that frauds to a considerable amount had been practised by the contractors by the introduction of improper and deficient materials in the superstructure of the road, and in the estimates for the various works, which they afterwards ascertained had been over-estimated to a large amount by the engineers of the Company. This discovery induced the Directors to dispute the payment of the final estimates, which has led to a law suit with the contractors, and has been finally referred for settlement to the decision of the arbitration now pending, in which case the Directors have endeavoured to procure the assistance and measurement of the most competent engineers that could be obtained for the purpose of ascertaining and establishing the facts in order to protect the interests of the Company and lead to a just decision of the matter in dispute.

The interest on the sterling bonds issued by the Company to the Contractors has been regularly paid to the 1st of February last; but in consequence of the proceedings of a Committee of the City Council of the City of London, which has lately been published, the Directors did not feel at liberty to take the individual responsibility which would have been necessary to enable them to provide for the interest which fell due on the 1st of August last, which it is to be regretted has led to the dishonour of the coupons which fell due in England. It is hoped, however, that by the assistance of the parties most interested, these arrears will shortly be provided for.

The Directors having found it necessary to autho-

size an additional issue of bonds, secured by second mortgage, for the purpose of securing the City of London for their last loan, thought it advisable to authorize the issue of £50,000, which amount was deemed to be necessary eventually to raise means to pay the final expenses incurred in the construction of the road. These bonds have been issued. The first £30,000 have been given to the City of London, in security for the loan to that amount, and the remaining £20,000 have also been *lodged* with the City of London, with the view of ultimately obtaining the further assistance that will be required to relieve the Company from the floating debt, amounting to about £11,000, and the expenses necessary to complete the ballasting the Station Buildings at Port Stanley, and the equipments necessary to put the road in complete working order, which, it is estimated, an amount equal to those bonds would be required to accomplish.

The revenue that has been derived from traffic has been necessarily applied towards payment of the expense required to complete the construction, in ballasting and otherwise, for which purpose the sum of £2,386 has been laid out since the opening of the road. For the purpose of meeting these expenses the Directors have found it unavoidable to incur personal responsibilities from which they ought to be relieved.

It is absolutely necessary, for the successful working of the road, that assistance should now be obtained from some quarter, to relieve the Company from the floating debt, so as to allow the income of the road to be appropriated towards the payment of interest on loans, instead of the expenses incurred on account of the construction, as it has hitherto been applied. This assistance it will be indispensable for the Municipalities to supply, in order to protect their interests in the heavy amounts which have been invested by them from which the road has been built.

The building of this Railway is altogether a Muni-

capital enterprise, and was commenced *solely* with a view to the general advantage and improvement of the country, and as a check to monopolies, and not from any expectation of profits to be derived directly from its income. In order to shew that this object has been in a great measure attained, a statement is appended to this report, shewing a saving to the City of London, in the reduction of freights alone, to the amount of £11,930 per annum, which clearly proves that the public have already derived advantages by direct reduction in charges upon necessary imports and exports, in addition to the general advantages which cannot be calculated, to an amount nearly sufficient to pay the interest upon the expenditure, and, therefore, that the temporary inconvenience of paying the interest for a season is indirectly but amply repaid in the general benefit derived by the community.

From the geographical and local position of the London and Port Stanley Railway—its direct communication with the leading thoroughfares in the United States and Canada, and contemplating its forming the continuation of the Grand Trunk Railway, which will shortly be completed by the link from St. Mary's to London, the work upon which is now rapidly progressing—and from its necessary connection with the contemplated Great Southern Railway, which will undoubtedly be made, as well as from the natural increase of Traffic that may reasonably be expected,—we must come to the conclusion that our Railway, with proper management, if sustained by its proprietors, in the present necessary requirements to provide for its completion, will ultimately become a well-paying road, equal, if not superior, to any other short Railroad in the Province; and that if so sustained, no ultimate loss in the value of the Stock will fall upon the Municipalities that have invested the means for its construction.

A statement is annexed, showing the sources from which the amount laid out has been derived, and the

expenditure that has been incurred in the construction of the road; also a descriptive statement of Freight and Passenger Traffic for Ten Months up to 31st of July last. All which is respectfully submitted.

L. LAWRASON, *President.*

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**THE FOLLOWING ARE THE STATEMENTS  
 REFERRED TO IN THE REPORT:**  
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Statement of Capital and other Sources from which the amount laid out in the London and Port Stanley Railway has been derived :

S T O C K .

City of London,	£55,000
County of Middlesex,	20,000
County of Elgin,	20,000
Town of St. Thomas,	8,500
Total Municipal Stock paid up,	£103,500
Private Stock paid up,	£6,250
Do. that will probably be collected,	750
Total private Stock,	7,000
Total Stock,	£110,500

L O A N S .

City of London, secured by First Mortgage Bonds,	£43,850
Do., do., do.,	25,000
Do., Second Mortgage Bonds,	30,000
St. Thomas, secured by First Mortgage Bonds,	8,000
Total Loans,	£106,850

B O N D S .

First Mortgage Bonds issued to Contractors,	£22,751 13 4
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B A N K S .

Individual Notes of Directors,	2,500 0 0
Total Bonds,	25,251 13 4
Total Stock,	110,500 0 0
Total Loans,	106,850 0 0
	£242,601 13 4

STATEMENT OF EXPENDITURE.

Iron	-	-	-	£35,431	18	2
Right of Way	-	-	-	24,140	3	11
Rolling Stock	-	-	-	18,160	7	3
Buildings and Turntables	-	-	-	8,106	15	3
Superstructure and Incidental Ex-						
penses	-	-	-	112,199	8	2
Engineering	-	-	-	9,479	0	3
Interest	-	-	-	10,879	2	3
Discount on Debentures	-	-	-	27,025	17	6
TOTAL,				£245,422	13	2

Annual saving in freight to the City of London, consequent on the opening of the London and Port Stanley Railway, taking the imports and exports, and tariff rates of the Great Western Railway, for the year 1856, as a basis :

CLASS GOODS.	Tons Forwarded	Rate Deduction per Ton.	Total Deduction.
Flour	844	80	675.20
Pork	26	80	20.80
Oats	450	80	360.00
Wheat	12,100	1.13	13,673.00
Barley	134	1.13	151.42
Merchandise	4,148	1.55	6,429.40
	17,702		21,309.82
	Tons Received.		
Coal	5,000	1.00	5,000.00
Iron	2,500	1.50	3,750.00
Lumber	10,400		
Salt	4,000	2.10	8,400.00
Groceries and Dry Goods	5,973	1.55	9,258.15
	27,873		26,408.15
Tons Forwarded			21,309.82
			\$47,717.97

Traffic Expenses from 1st October, 1856, to 31st July, 1857.

Superintendent, Secretary, &c.	\$1,739.20
Station Masters, Clerks, Conductors, Brakesmen, and Porters	6,596.34
Engineers and Firemen	1,838.29
Track Repairs	7,147.06
Repairs, Cars, Tools, Engines, &c.	685.15
Oil, Waste and Tallow	485.79
Fuel &c.	2,856.00
Printing and Advertising	233.00
Incidentals	239.37
TOTAL	\$21,820.20

Earnings of Road for same period	\$28,363.43
Balance, Nett Earnings of Road	6,543.22
Or 24 per cent do do	
And 76 do Traffic Expenses.	

CAR MILAGE.

Miles Run by Mixed Train	102,302
Do. Gravel, and Construction do	72,006

ENGINE MILAGE.

Mixed Trains	26,398
Gravel and Construction do	7,135

PASSENGER TRAFFIC.

Number of Passengers going North	14,188
Do do South	14,502

FREIGHT.

	Tons.	Tons.
London, Tons Outwards	1,501	
Do. Inwards	7,180	
		8,681
St. Thomas, Tons Outwards	968	
Do Inwards	1,214	
		2,182
Port Stanley, Tons Outwards	9,421	
Do Inwards	1,561	
		10,982

10 PORT STANLEY RAILWAY COMPANY REPORT.

Merchandise Forwarded, Class No. 1, 642 tons; No. 2, 635 tons; No. 3, 2,057 tons; Coals, 2,312 tons; Iron, 930 tons; Stone, 398 tons; Salt, 4,054 barrels; Lumber, 591,104 feet; Grain, 59,208 bushels; Flour, 105 bushels; Plaster, 36 Tons; Brick, 45 tons; Clay, 49 tons.

Earnings since opening Line 1st October, 1856 to 31st July, 1857.

Passenger Traffic	.	.	.	£14,982.60
Freight do	.	.	.	13,005.45
Express Freight	.	.	.	375.48

Total Receipts independent of Mail Service £28,363.42

W. BOWMAN, *Secretary*.

LONDON, 31st July, 1857.



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635 tons ;
s ; Stone,
t ; Grain,
Brick, 4%

1856 to

32.60
05.45
75.48

33.42

etary.

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